

E/C
9/29/05

September 29, 2005

Mr. Tom Turner
Associate Regional Counsel
U.S. EPA – Region V
Office of Regional Counsel (C-14J)
77 W. Jackson Boulevard
Chicago, Illinois 60604

EPA Region 5 Records Ctr.



284479

RE: RRG/Clayton Chemical Site Soil Removal
One Mobile Avenue
Sauget, Illinois
Notice of Potential Liability letter

Dear Mr. Turner:

I am writing in response to the documents related to the above-referenced matter received by Allwaste Tank Cleaning, Inc. (d/b/a Allwaste Container Services), a wholly-owned subsidiary of Philip Services Corporation. Please address all future correspondence to me at the below address.

On June 2, 2003, Philip Services Corporation, together with most of its affiliates (the "Debtors"), filed for chapter 11 bankruptcy with the United States Bankruptcy Court for the Southern District of Texas, Houston Division. The cases are currently pending under jointly administered Case No. 03-37718-H2-11 (the "Bankruptcy Proceeding").

On December 10, 2003 the bankruptcy court entered the Order Confirming Second Amended and restated Joint Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code (the "Confirmation Order"). The Confirmation Order can be viewed at www.loganandco.com, under Client Case Information, Philip Services Corporation. Paragraph 3(a) at page 13 of the Confirmation Order provides that:

On and after the Effective Date of the Plan [which occurred December 31, 2003, a copy of the notice of Effective Date is attached hereto as Exhibit B], except as expressly provided in this Order, all holders of Liens, Claims and Interests arising prior to the Effective Date shall be permanently barred and enjoined from asserting or continuing to assert against the Debtors, Reorganized PSC or their respective assets, any and all Claims or Liens, whether liquidated or unliquidated, contingent or noncontingent, asserted or unasserted, fixed or unfixed, matured or unmatured, legal or equitable or known or unknown, based on any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date.

Furthermore, paragraph 3(a) also provides in relevant part,

[U]pon the close of the Effective Date, all existing Liens or Claims against the Debtors and interests in the Debtors, shall be, and shall be permanently deemed to be, discharged and terminated, and all holders of such Liens, Claims or Interests shall be precluded and enjoined from asserting, directly or indirectly, against Reorganized PSC, or any of its assets or properties, any Lien, Claim or Interest or any other or further Lien, Claim or Interest based upon any act or omission, transmission, or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder has filed a proof of Claim or proof of Interest.

In addition, paragraph 3(b) at page 15 of the Confirmation Order provides,

Any judgment or order purporting to determine the corporate liability of the Debtors, Reorganized PSC, or their assets with respect to any Lien, Claim or Interest treated by the Plan or this Order, is void, other than Final Orders of this Court allowing Claims or Liens or granting similar relief, or as otherwise expressly provided in this Order.

Finally, pursuant to Section 524(a)(2) of the Bankruptcy Code, "a discharge in a case under this title operates as an injunction against the commencement or continuation of an action, the employment of process, or an act, to collect, recover or *offset any such debt as a personal liability of the debtor*, whether or not discharge of such debt is waived."

Therefore, Allwaste Tank Cleaning, Inc. respectfully declines your invitation to finance or perform the investigation and remediation activities described in Ms. Nachowicz's letter of September 27th. Should you wish to discuss, do not hesitate to call me at 713-625-7019.

Respectfully,

A handwritten signature in black ink, appearing to read "Deborah S. Huston", written over a horizontal line.

Deborah S. Huston
General Counsel

5151 SAN FELIPE SUITE 1600
HOUSTON, TX 77056

PSC



Mr. Tom Turner, Assoc. Regional Counsel
U.S. EPA - Region V
Office of Regional Counsel (C-14J)
77 W. Jackson Boulevard
Chicago, IL 60604

POSTAGE WILL BE PAID BY ADDRESSEE



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGIONS 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

September 27, 2005

REPLY TO THE ATTENTION OF:

VIA FEDERAL EXPRESS

RETURN RECEIPT REQUESTED

**RRG Clayton Chemical Site (soil
removal)**

Brian Recatio, President
Allwaste Tank Cleaning, Inc.
5151 San Felipe St., Suite 1600
Houston, TX 77056

RE: Clayton Chemical Site General Notice of Potential Liability
letter.

Dear Sir or Madam:

The United States Environmental Protection Agency (U.S. EPA) has documented the release or threatened release of hazardous substances, pollutants and contaminants at the above referenced Site, and is planning to spend public funds to control and investigate these releases. This action will be taken by U.S. EPA pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. 9601 et seq., (CERCLA) as amended by the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499, stat. 1613 (1986) (SARA), unless U.S. EPA determines that such action will be done properly by a responsible party. Responsible parties under CERCLA include the current and former owners and operators, and persons who generated the hazardous substances or were involved in transport, treatment, or disposal of them at the Site. Under Section 107(a) of CERCLA, where the Agency uses public funds to achieve the cleanup of the hazardous substances, responsible parties are liable for all costs associated with the removal or remedial action and all other necessary costs incurred in cleaning up the Site, including investigation, planning and enforcement.

The U.S. EPA is currently planning to conduct the following actions at the above referenced Site:

1. Develop and implement a site health and safety plan;
2. Provide security for the site;
3. Sample, characterize, and consolidate for removal and disposal